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**General and complete disarmament**

**Macroeconomic policy questions**

**Implementation of the first United Nations Decade for the Eradication of Poverty (1997-2006)**

**Globalization and interdependence**

**High-level international intergovernmental consideration of financing for development**

**International drug control**

**Human rights questions**

## Letter dated 8 September 2000 from the Permanent Representative of Brazil to the United Nations addressed to the Secretary-General

I have the honour to transmit herewith the Brasília Communiqué and the Plan of Action for Regional Infrastructure Integration in South America: A Proposal, which were adopted during the meeting of the Presidents of South American countries held in Brasília on 31 August and 1 September 2000 (see annexes).*

I should be grateful if you would have this letter and its annexes circulated as a document of the General Assembly, under agenda items 73, 92, 99, 100, 101, 106 and 114.

(*Signed*) Gelson **Fonseca** Jr.
Ambassador
Permanent Representative of Brazil to the United Nations

* The annexes are being circulated in the languages of submission only.

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# Annexes to the letter dated 8 September 2000 from the Permanent Representative of Brazil to the United Nations addressed to the Secretary-General

## Annex I

[Original: English and Spanish]

### The Brasilia Communiqué

On August 31 and September 1, 2000, at the invitation of the President of Brazil, Fernando Henrique Cardoso, the Heads of State of Argentina, Fernando De la Rúa; Bolivia, Hugo Bánzer Suárez; Chile, Ricardo Lagos Escobar; Colombia, Andrés Pastrana Arango; Ecuador, Gustavo Noboa; Guyana, Bharrat Jagdeo; Paraguay, Luis Angel González Macchi; Peru, Alberto Fujimori Fujimori; Suriname, Runaldo Ronald Venetiaan; Uruguay, Jorge Batlle Ibañez; and Venezuela, Hugo Chávez participated in a Meeting of the Presidents of South America. Also present were the Presidents of the Inter-American Development Bank, Enrique Iglesias, and the Andean Development Corporation, Enrique García. This meeting, a historic, trailblazing event for the region, has imparted a major impulse to the organization of our shared experience in a common South American setting. It has also demonstrated the continued support for the shaping up of South America as a unique environment of democracy, peace, mutual cooperation, integration, and shared economic and social development.

2. Held in the context of the celebrations marking the 500th anniversary of the discovery of Brazil, the Meeting of the Presidents of South America reaffirmed the spirit of understanding and harmony that characterizes relations among South American countries and which should be continuously encouraged. This meeting was born of the conviction that geographic proximity and shared values demand a common agenda of specific opportunities and challenges that should be examined in their own forum, in addition to their discussion in other regional and international forums.

3. South America begins the new century strengthened by the progressive consolidation of its democratic institutions and by its commitment to human rights; the protection of the environment based on the concept of sustainable development; the overcoming of social injustice and the development of its peoples; the growth of its economies; the determination to maintain economic stability; and the expansion and deepening of its integration process.

4. The peaceful, friendly, and cooperative atmosphere reigning among the twelve South American countries is a distinctive characteristic that reflects favorably on the region on the international front. The definitive end to differences over territorial boundaries, as exemplified by the 1998 agreement between Ecuador and Peru, is a recent example of the prevailing spirit in South America, which has made and will continue to make this part of the world into an area of peace and cooperation, free of territorial conflicts. The South American Presidents have taken this opportunity to reaffirm their allegiance to the principle of a peaceful and negotiated resolution of disputes, as opposed to the use of force—or the threat thereof—against any other sovereign State, pursuant to the applicable rules of International Law.

5. Recognizing that peace, democracy, and integration are essential for guaranteeing the region's development and security, the Presidents emphasized the importance of the

Declaration of MERCOSUR, Bolivia, and Chile as a Peace Zone free of weapons of mass destruction, signed in Ushuaia, in July 1998, and of the Andean Commitment to Peace, Security and Cooperation under the December 1989 Galapagos Declaration. In this spirit, the Presidents agreed to establish a South-American Peace Zone. To this end, they will instruct their respective Ministers of Foreign Relations to take the necessary steps to implement this decision. The Presidents will also encourage the deepening of the dialogue on security in South America, taking into account the human, economic, and social aspects of the issue.

6. Strict respect for the values of representative democracy and its procedures, human rights, international law, disarmament, and the nonproliferation of weapons of mass destruction is fundamental to the process of cooperation and integration in which the South American countries are currently engaged.

7. The Presidents concurred in their assessment that political stability, economic growth, and the promotion of social justice in each of the twelve South American countries will depend to a great extent on the widening and deepening of cooperation and of the sense of solidarity within the region, as well as on strengthening and expanding the network of mutual interests. They thus identified a series of topics that may benefit from a specific South American cooperative approach: democracy; trade; integration infrastructure; illicit drugs and related crimes; information, knowledge, and technology.

8. The Heads of State reaffirmed their commitment to regional integration in Latin America and the Caribbean, a foreign policy goal that is inherent to the very national identity of the countries of the region. They expressed their conviction that a firmer concerted action on the part of South America regarding specific issues of common interest will further strengthen their commitment to the ideals and principles that have guided the integration process.

9. The Presidents recalled that sub-regional processes in South America, particularly MERCOSUR and its process of association with Bolivia and Chile, the Andean Community, the Andean Development Corporation, the Latin American Reserve Fund, as well as the Latin American Integration Association-LAIA, the River Plate Basin Treaty, the Amazon Cooperation Treaty, the Group of Three, the Central American Common Market, and CARICOM, among others, have been the most dynamic components of Latin American and Caribbean integration. Coordination among the countries of South America will strengthen Latin America and the Caribbean. The initiative aimed at the establishment of a free trade area of the Americas is also based on the consolidation of sub-regional processes.

10. The Presidents also congratulated themselves over the Andean Community's proposal to start a political dialogue with MERCOSUR and Chile, an offer which was formally accepted under the agreements adopted during the Summit of MERCOSUR, Bolivia and Chile held in Buenos Aires on June 30, 2000. In this spirit, they welcomed the Bolivian initiative to host the aforementioned dialogue, with the participation of Guyana and Suriname in the deliberations involving the topics of the agenda of common interest.

11. Consolidating South American identity and endowing it with effective tools will contribute to strengthening other regional organisms, mechanisms or processes of a broader geographic scope in which the South American countries also participate. On the political front, this applies particularly to the Rio Group—a point of convergence of initiatives

to strengthen ties among the countries of Latin America and the Caribbean — and to the Organization of American States, the Summit of the Heads of State and of Government of the Americas, or the Ibero-American Conference, among other forums. On the economic and trade front, this also applies to the Latin American Integration Association-LAIA, to the Latin American Economic System-SELA, and to the negotiations for the establishment of a free trade area of the Americas. South American identity, already consolidated in countries that share common borders, reinforces and complements the bilateral and multilateral ties with the other nations of Latin America and the Caribbean, the Continent, and the world.

12. South American cohesion is also essential to ensure that integration into the world economy will be beneficial. The common challenges of globalization—its unequal effects on different groups of countries and on the populations of individual countries—may be met more efficiently if the region carries its integration further and continues to act ever more effectively on the great issues of the international economic and social agenda in a manner that reflects coordination and solidarity.

13. The South American Presidents agreed that the globalization process, if conducted from the perspective of balanced and equitable development and results, may generate benefits for the countries of the region, such as increased trade, expansion of investment flows, and broader dissemination of knowledge and technology. This process also entails challenges that should be equally faced through political commitments and concerted actions by the countries of South America, in a such a way that globalization becomes an effective means for expanding growth and development opportunities in the region and for improving the standards of social welfare in a sustainable and equitable manner.

14. The Heads of State agreed with the assessment that the determination to implement consistent macroeconomic policies is essential to the internal stability of each country and to guaranteeing continued advances in integration processes. They emphasized, moreover, the fundamental importance of a favorable international economic environment to complement the national and regional efforts. In this context, they stressed the importance of appropriate prices for commodities exported by the region, keeping in mind the importance of this aspect for the drive to eradicate poverty.

15. It is crucially important that multilateral trade negotiations adhere to a greater degree of balance and symmetry between the rights and commitments of developed and developing countries. The Presidents recalled that their countries have adopted courageous trade liberalization programs in the 1990s while the developed countries continue to raise major trade barriers against exports from South America. The implementation of the Uruguay Round agreements was not sufficient to correct the existing imbalances in international economic and trade flows. The multilateral trade system continues to suffer distortions caused by protectionist measures and other production support measures adopted by the major trading partners.

16. The Presidents of the South American countries reaffirmed their commitment to strengthening the World Trade Organization and to improving the multilateral trade system on an equitable, just, and nondiscriminatory basis. This would require that future multilateral trade negotiations be based on a positive agenda and take into consideration the link between trade and development as well as the specific needs and concerns of developing countries. Launching a new round of multilateral trade negotiations that include a clear commitment with respect to access to, and liberalization of agricultural markets and to the

elimination of the distortions in these markets and of related export subsidies is a high priority for South America. Another priority is to include modes of special, differentiated treatment that take structural differences into account and meet the needs of developing countries through adequate instruments.

17. The imbalances in international financial markets remain a source of concern. The international community should persevere and ascribe higher priority to identifying and implementing measures to correct these imbalances, which could have extremely negative effects on the domestic economic stabilization efforts in South America. Moreover, for some of the highly indebted South American countries, the debt service not only constitutes a heavy burden but also places the countries' stability at risk and seriously compromises their economic and social development. The Presidents thus urged the international financial community to work together to find a rapid solution to this problem and appealed to the creditors to adopt measures conducive to this end so as to facilitate the resumption of economic growth in the indebted countries and to assist the governments of the region in the fight against poverty.

18. The Presidents expressed their satisfaction with the participation of the Representative of the National Congress of Brazil, Deputy Vilmar Rocha, as well as with the presence of the following observers: Jorge Castañeda, Representative of Mexico; Juan Francisco Rojas Penso, Secretary-General of the Latin American Association for Integration-LAIA; Sebastián Alegrett, Secretary-General of the Andean Community-CAN; Ney Lopes de Souza Filho, Alternate President of the Latin American Parliament-PARLATINO; Otto Boye, Permanent Executive Secretary of the Latin American Economic System-SELA; José Antonio Ocampo, Executive Secretary of the Economic Commission for Latin America and the Caribbean-CEPAL; Genaro Sánchez, Chairman of the Board of the Financial Fund for the Development of the River Plate Basin-FONPLATA; and Sebastião Cunha, President of the Council of the Latin American Export Bank-BLADEX.

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19. The South American Presidents register hereunder the understandings, conclusions, and recommendations resulting from their deliberations on the topics of the Brasilia Meeting agenda.

**DEMOCRACY**

20. The consolidation of democracy and peace throughout the region is the foundation for both the historical close ties uniting the South American countries and the resolution of disputes between sister nations through negotiated settlements. Fully established democratic institutions are an essential condition for the strengthening of regional integration processes. The extensive exchange of ideas at the Brasilia Meeting has strengthened the countries' common, irrevocable commitment to democracy, peace, and integration.

21. Representative democracy is the foundation of the legitimacy of political systems and an indispensable condition for the region's peace, stability, and development. It is essential to stimulate the effective, ethical, and responsible participation of citizens and their organizations in democracy; to contribute to the modernization and strengthening of political parties; to promote the participation of civilian organizations and their contribution to the

discussion of issues of public interest; to broaden the access of the populations of the of South American countries to the judicial system; to ensure the maintenance of free, periodical, transparent, fair, and pluralistic electoral processes based on universal, secret ballot; and to promote the institutional strengthening of electoral processes by means of advanced computer technology.

22. The Heads of State concurred that democracy in South America should be strengthened through the continual promotion and defense of the rule of law; effective application of the principles of good governance; transparency of public institutions and public policy decision-making processes; fight against corruption through legal, administrative, and political measures; reform and improvement of the judicial services, so as to achieve more efficient, transparent, and widely-accessible systems for the inhabitants of the South American countries; free access to information on the activities of public authorities and administrative appeal mechanisms; higher levels of competence; and the promotion of ethics and professionalism in public service.

23. The Heads of State stressed the importance of Mercosur, Bolivia and Chile's "democratic commitment" formalized by the Ushuaia Protocol of July 1998 and by the Additional Protocol to the Cartagena Accord on the "Andean Community's Commitment to Democracy." These are two additional guarantees of political stability and institutional continuity in South America. Inspired by these precedents, the Presidents agreed that maintenance of the rule of law and strict respect for the democratic system in each of the twelve countries of the region are at once a goal and a shared commitment and are henceforth a condition for participation in future South American meetings. Having due regard for existing regional mechanisms, the Presidents agreed to conduct political consultations in the event of a threat of disruption of the democratic system in South America.

24. The strengthening, improving, and updating of the democratic system are intimately linked to the economic and social development of the peoples of South America. Poverty and marginalization threaten institutional stability in the region and their eradication should continue to merit high priority of the governments of South America. The South American Presidents thus welcomed the signing, on June 29, 2000, of the Buenos Aires Charter on Social Commitment in MERCOSUR, Bolivia and Chile.

25. The arrival of the new millennium coincides with great social challenges in South America. Over the last two decades, the vulnerability of large segments of the region's population has not ceased to grow. Basic needs are still unmet in areas such as nutrition, health, education, housing, and employment. The eradication of extreme poverty, a decrease in inequalities, and the incorporation of the poor into the other social sectors through integral development plans require the implementation of programs that focus on malnutrition and on access to education and basic health services, so as to improve the Human Development Indices in each country.

26. The Presidents of the South American countries emphasized the need to guarantee the right to a life with dignity as an inalienable right of every individual, as well as the need to conceive a regional public action program with the participation of multiple social, economic, and political actors. Action in accordance with democratic rules and systematic, solidarity-oriented criteria should lead to the adoption of policies that will help in addressing the region's historical income distribution disparities. Moreover, the South American

Presidents concurred on the need to encourage actions aimed at strengthening the rights and duties of citizens and at helping to ensure the full exercise of citizenship by establishing information exchange and cooperation mechanisms for this purpose.

27. The governments of the region will reinforce their commitment to adopt measures for combating human rights violations, including those frequently associated with social inequity. In this spirit, the South American Presidents will instruct the appropriate agencies to identify cooperation programs aimed at the institutional strengthening of their respective national systems responsible for the protection of human rights. The Presidents of the South American countries further reiterated their commitment to the Inter-American System for the Protection and Promotion of Human Rights, and pledged their firm support to the consideration, within the OAS framework, of mechanisms for its improvement.

28. In the area of human rights, the fight against racism and discrimination, in all its manifestations and expressions, has special significance for the societies of South America for they are incompatible with the rule of law and the ideals and practice of democracy. The Presidents follow, with concern, the resurgence of racism and of discriminatory manifestations and expressions in other parts of the world and affirm their commitment to shielding South America from the propagation of this phenomenon. They recognized that the World Conference against Racism, Racial Discrimination, Xenophobia, and Similar Forms of Intolerance provides a unique opportunity to seek appropriate responses from the international community. The Presidents reaffirmed that the countries of origin and destination of migrants have the responsibility of strengthening cooperation in this area in order to ensure migrants the full exercise of their human rights, and, in particular, the right to life and to dignified, just, and nondiscriminatory treatment.

## TRADE

29. The South American Presidents agreed in their assessment of the substantial advances in the economic and commercial integration processes among the countries of the region in the nineties, and on the need to persevere in strengthening these processes. They alluded to the negotiations for building up Mercosur, to the conclusion of free trade agreements between Mercosur and Bolivia and Chile, to the progress achieved by the Andean Integration System Community, to free trade agreements between Chile and the countries of the Andean Community, and to their interest in encouraging closer coordination between Guyana and Suriname and the other South American economies.

30. The participation of the private sector—both business executives and workers — as well as the support of society as a whole, is a guarantee that these processes will continue and succeed. The Presidents thus decided to instruct their competent Ministers to coordinate the drafting of proposals for establishing a South American consultative forum at which high-ranking officials and civilian leaders would identify joint actions by the countries of the region in the trade and investment areas, with the aim of consolidating and deepening the South American integration process. This initiative could also contribute to the coordination of South American positions in civil society forums that regularly meet for negotiations related to the establishment of a free trade area in the Americas. These negotiations must take into account the different levels of socioeconomic development among countries of South America and, in particular, the circumstances, needs, economic conditions and opportunities of the smaller economies, with the objective of guaranteeing their full and effective participation in the process.

31. The Heads of State of MERCOSUR and the Andean Community (CAN) decided to start negotiations leading to the signing of a free trade agreement between the two groups as soon as possible and, in any case, by January 2002. The South American Presidents were unanimous in stressing the importance of the process of liberalization of markets in South America and thus welcomed the beginning of negotiations leading to Chile's full membership in MERCOSUR.

32. The negotiations aimed at the signing of a free trade agreement between MERCOSUR and the Andean Community will, by taking into account the contribution of the agreements the latter has signed with Brazil and Argentina, decisively move forward toward the shared goal of creating a broader economic and trade area in South America, with the participation of Chile, Guyana, and Suriname. This will be based on the gradual liberalization of trade in goods and services, on facilitating investments, and on the creation of the infrastructure needed to achieve this objective.

33. The Presidents of the South American countries reaffirmed their understanding that the creation of an expanded economic area in the region will occur in accordance with the principles of an "open regionalism." This will strengthen the position of the South American countries in important negotiations the region wants to see brought to a successful conclusion, such as those for a free trade area of the Americas, those aimed at closer coordination with the European Union, or those in the framework of the World Trade Organization, among others. The Presidents indicated their expectation that these extra-regional trade negotiations will contribute to the social and economic development of the South American countries and to their full integration into the international economy.

34. The Presidents of the South American countries reaffirmed their support to the process of expanding and deepening economic integration in the Hemisphere. They welcomed the results of the Fifth Ministerial Meeting of the FTAA, held in Toronto in November 1999 and reiterated their engagement in the gradual establishment of a free trade area of the Americas, the negotiation of which should be concluded by no later than 2005, on an equitable and balanced basis that will ensure the effective access of South American exports to markets. To this end, the Presidents decided to intensify the coordination of the South American countries' negotiating positions.

35. The South American Presidents emphasized that, in order to achieve comprehensive and balanced results that meet the interests of all the countries involved, the FTAA negotiations should take into consideration the varying stages of economic development and the economic size of the actors involved. The Hemispheric initiative should be an effective instrument for fostering the sustainable and equitable development of all the Americas.

## INTEGRATION INFRASTRUCTURE

36. The Heads of State noted that the driving force for cross-border integration is strong because it arises from, among other factors, geographic proximity, cultural identity, and the consolidation of shared values. Borders within South America should no longer serve as an element of isolation and separation; they should rather be a connecting link for the circulation of goods and individuals and thus circumscribe a privileged area for cooperation.

37. Integration and the development of physical infrastructure are two complementary approaches. The establishment of an expanded South American economic area desired by the peoples of the region will depend on the broadening and complementation of initiatives under way and on the identification of new integration infrastructure initiatives. This must be guided by the principles of social and environmental sustainability and have the ability to attract capital from outside the Region and to generate multiplier effects within it. Advances in the area of infrastructure will, in turn, release new driving forces toward integration, thereby setting in motion dynamics that should be encouraged. This scenario would also benefit from the adoption of an investment policy based on a regional rather than a merely national perspective.

38. The Presidents ascribed high priority to the identification of infrastructure projects of bilateral and sub-regional interest. Given their magnitude, the financing of integration infrastructure projects must be shared by the governments, the private sector and the multilateral financial institutions, particularly the Inter-American Development Bank-IADB, the Andean Development Corporation, the Fund for the Development of the River Plate Basin-FONPLATA, and the World Bank. The Presidents noted, in particular, the importance of rules that favor the South American countries' access to long-term financing, at appropriate interest rates, from international financing institutions, for infrastructure projects. They further stressed the need to identify innovative modalities of financial support for infrastructure projects so as to encourage the participation of private investors and mobilize all possible resources, as done by the Latin American Reserve Fund.

39. The region's Heads of State took note with special satisfaction of the attached Action Plan for Integrating Regional Infrastructure in South America, which contains suggestions and proposals, with a time-line of ten years, for the expansion and modernization of South America's physical infrastructure, especially in the areas of energy, transportation, and telecommunications. The aim is to establish corridors of economic and social development and integration for the region's future expanded economic area, taking into particular account the situation of countries hindered by geographical difficulties to access international markets by sea. The Action Plan, prepared by the IDB, benefited greatly from contributions by the Andean Development Corporation-ADC and from input from other relevant regional entities and from the South American countries.

40. The Presidents stressed the role of energy, transport and communications networks as the engine of the integration of South American countries. To this end, infrastructure projects geared to integration should be complemented by the adoption of regulatory and administrative regimes that facilitate the interconnection and operation of energy, transport, and communications systems.

41. In the area of transport, the South American countries have set as a priority the establishment of intermodal networks to ensure a better utilization of land, river, sea, and air ways and facilitate the movement of people, vehicles and goods across borders, as well as help boost trade and investment in the region as a whole. Still in the area of transport, the Presidents referred to the existence of other important sources of input for the task of expanding and modernizing South America's physical infrastructure. In this context, they pointed out the Transport Network and the Inventory of Priority Projects for South American Integration, approved by the South American Ministerial Conference on Transport, Communications, and Public Works; the Master-Plan for Transport and its Infrastructure for

South America, prepared by LAIA as part of the South American Ministerial Conference on Transport, Communications, and Public Works, the activities of the Multilateral Working Group on Bioceanic Land Corridors, and the work carried out under the River Plate Basin Treaty and the Amazon Cooperation Treaty, aimed at the integration of transport networks.

42. In the energy sector, the integration and complementation of the South American continent's energy resources—in the areas of liquid and gas carbon fuels, integration and exchange of fuels, such as natural gas, and of electrical energy interconnection and electrical energy ventures—provide an axis for approximation among the countries of the region. This axis should be expanded and improved, in parallel with environmental preservation and the elimination of unjustifiable barriers arising from restrictions and regulation in this sector.

43. The Presidents recalled that the development of telecommunications is essential to the establishment of logistical systems and to the integration of energy systems according to a South American regional approach. The telecommunications infrastructure also provides a foundation for cooperation initiatives among South American countries aimed at meeting the demands of the information society.

44. The Presidents decided to instruct their representatives at the IDB and other international financial organizations to propose, when convenient, that these institutions adopt all necessary measures for implementing the proposals contained in the attached Action Plan, bearing also in mind the difficulties pointed out in Paragraph 39 above as well as the situation of countries under foreign borrowing restrictions. The objective is to carry out studies, provide consulting services, and ensure the disbursement of funds to assist in the implementation of initiatives for developing integration axes for the future expanded economic area in South America. The Presidents further emphasized the unique importance of the future coordination work with the IBD and the ADC, among other relevant international and regional entities.

45. At the same time, the Presidents of the South American countries reiterated their commitment to ascribing an even higher political priority to the ongoing national, bilateral, and sub-regional initiatives aimed at modernizing and developing the integration infrastructure network throughout the region. In this connection, they emphasized the fundamental role of the private sector.

46. To consolidate an integrated regional vision of the lines of action for the expansion and modernization of South American infrastructure, based on the Action Plan and the other documents referred to above, the Presidents of the South American countries decided to call, through their Chancelleries, a ministerial-level meeting, to be held in November/December. The offer from the Eastern Republic of Uruguay to host this meeting was accepted with satisfaction. On that occasion, ways to stimulate and facilitate the full engagement of private initiatives in the process of infrastructure modernization in the region should be examined.

## ILLICIT DRUGS AND RELATED CRIMES

47. The South American Presidents emphasized their concern about the issue of illicit drugs and related crimes in the region, which, as specific national circumstances show, may be associated with other issues such as contraband, the illicit arms trade, and

terrorism. These threats pose a risk to the very integrity of the political, economic, and social structures of the South American countries. It is essential that all branches of the government and of the civil society be engaged in the struggle to solve these problems.

48. The Presidents emphasized the role of the OAS in the progress achieved in the fight against drugs in this Hemisphere. They pointed out the importance of the 1996 Anti-Drug Strategy in the Hemisphere, which affirmed the principle of shared responsibility. They also stressed the 1999 approval by CICAD of the Multilateral Evaluation Mechanism-MEM, which, by utilizing transparent and multilaterally agreed criteria to assess the progress in the fight against drugs in each country of the Americas, should encourage hemispheric cooperation and replace unilateral evaluation initiatives.

49. The Presidents thus reaffirmed South America's commitment to the principles that govern relations among States and international cooperation in this area, namely, shared responsibility among the producing, transit, and consuming countries and an approach that puts equal emphasis on supply control, demand reduction, and the treatment of addicts.

50. With regard to supply control measures, the South American Presidents agreed on closer cooperation in the areas of intelligence, police operations, control of the traffic and deviation of chemical precursors (including the homologation of lists of controlled drugs in the region), control of the illicit arms trade, and combating money laundering. In this context, they decided to establish a formal mechanism for regular consultations among the entities responsible for fighting drug trafficking and related crimes.

51. The Presidents reiterated their interest in establishing a regional group for combating money laundering, similar to the Financial Action Task Force – FATF-. They have thus supported the understandings reached by the South American national parties responsible for controlling money laundering, who met in Brasilia on August 16-17, on which occasion they issued a Memorandum of Understanding on the creation of the South American Financial Action Group—GAFISUD. They further encouraged all South American countries to participate in GAFISUD, as well as stimulated the creation of an Executive Secretariat for the Regional Group.

52. The Presidents reiterated their support in the search for sustainable alternative economic activities to guarantee an adequate income for the population involved with illicit crops. They also committed themselves to instructing their representatives to explore ways to facilitate access of alternative products to the regional market, in the context of the negotiations aimed at regional trade liberalization.

## INFORMATION, KNOWLEDGE AND TECHNOLOGY

53. The Presidents of the South American countries shared the perception that the last decades of the 20th century have witnessed the unfolding of an unprecedented revolution in knowledge, the consequences of which touch upon all areas of life and will be felt even more intensely in the future.

54. The Presidents concurred that the existence of a link between the production of science and technology and a nation's level of development is being consistently corroborated by reality. Scientific and technological knowledge thus imposes itself as the foundation for the production of national wealth at every level. On a national level, the access to knowledge

and information is becoming ever more important for boosting and improving the productive sector's quality and efficiency; encouraging the creation of technology-based enterprises, particularly small and medium ones; improving employment opportunities; breaking the marginalization and poverty cycles; and distributing the national wealth in a more just and equitable manner.

55. In this regard, the Presidents pointed out that in order to speed up entry into the new information and knowledge society, it is important that the countries strengthen a continuing education system to ensure education at all levels for the broadest sectors of society, and unrestricted access to knowledge and information. This should be accomplished through the steady incorporation of new information technologies into the educational systems and the progressive access of schools and professional training centers to the Internet.

56. The Presidents concurred on the need to undertake efforts aimed at installing a basic connection structure to link the region to the Internet centers of the world. Furthermore, they agreed to disseminate advanced network services through this basic structure by including such fields as, among others, high performance data processing, digital libraries, telemedicine and remote education, and work with a view to employing the region's educational, scientific, and technological potential to foster sustainable development in their respective countries. The Andean Community countries stressed the possibilities for cooperation among the South American countries in view of the results obtained by the Andean Telecommunications Authorities Commission-ACTA and the Andean Science and Technology Council.

57. The Presidents recognized that to ensure progress in laying a scientific and technological foundation in the region, it is necessary to encourage the creation, in a spirit of solidarity, of cooperative research networks in strategic areas, which will allow closer coordination of national capabilities and the strengthening of the research infrastructure. The aim is to raise the countries' creative and competitive capabilities to a level consistent with the demands of an information and knowledge society, in the broader spirit of the Ministerial Declaration on information technology, communication and development, adopted on July 7, 2000 by the High Level Segment of the Economic and Social Council-ECOSOC of the United Nations, a document which captures the perceptions contained in the so-called "Declaration of Florianopolis," approved by the Latin American and Caribbean countries during a preparatory meeting of the aforementioned Segment.

58. The Presidents noted that, with the intensification of trade on a global scale, we are witnessing a systematic reduction in tariffs, simultaneously with a gradual increase in the technical barriers to our countries' trade. Scientific and technological advances increasingly require complex infrastructures and laboratories operated by highly qualified scientific and technical personnel as well as the intensive and extensive development of higher education at all levels. In the medium and long term, fuller integration of the South American countries into the international economy will only be possible through the permanent incorporation of technological innovations that raise the added value of exports and increase the region's competitive ability. The commitment to undertake joint efforts to develop basic technologies conducive to the achievement of these goals must be one of the South American Governments' top priorities. In this connection, and in view of the recent adoption of the "2000 Okinawa Communiqué," the South American countries express their firm interest to interact with the G-8 members, particularly in the context of the issues relating to the fields of information technology and biotechnology.

59. The South American Presidents welcomed the announcement by the Brazilian government of a specific program for this sector, to be carried out through the establishment of a South American Fund to stimulate scientific and technological cooperation activities in the region, in the context of South America's integration into the information and knowledge-based society, open to the participation of all countries, so as to generate new activities and benefit those already under way.

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60. The South American Heads of State congratulated themselves on the successful results of the Brasilia Meeting for the objectivity, openness, and transparency of the exchange of opinions on the agenda topics. The meeting has reinforced the synergistic forces already active in the region. Its results constitute a significant contribution to the ongoing debate on these same topics in other regional and hemispheric forums in which the South American countries also participate.

61. The South American Presidents agreed to instruct their respective Ministers of Foreign Relations to adopt—in coordination with the competent areas—the necessary measures for designating, as needed, focal points for the implementation of the commitments assumed under this Communiqué.

62. The Heads of State thanked the Government and the people of the Federative Republic of Brazil for their hospitality and praised the excellent organization that ensured the success of the South American Presidents Meeting. They also thanked President Fernando Henrique Cardoso for his initiative and for the invitation to participate in this important South American encounter which will most certainly signal a renewed path towards regional understanding.

Brasilia, September 1, 2000

## Annex II

### Plan of Action for Regional Infrastructure Integration in South America: a proposal

#### Inter-American Development Bank

There are two components to the proposed Plan of Action for Development of Regional Infrastructure in South America: (i) the programmatic framework for the Plan and (ii) mechanisms for making the Plan operational and follow-up monitoring.

### Programmatic Framework of the Plan of Action

The Plan of Action rests on ten core principles for regional infrastructure development in South America:

1. **Design a more integrated vision of infrastructure development that encompasses all its components and synergies**.

   The concept of regional infrastructure cannot be confined to initiatives in the transportation, energy, and telecommunications sectors. It should also envisage links with social and environmental infrastructure and the infrastructure underpinning knowledge-based information technologies, so countries can make the most of available synergies among these components of development.

2. **Set projects within a strategic planning process, taking as a starting point an identification of regional integration and development hubs in the South American continent**.

   This approach will seek maximum efficiency of investment outlays, coordinating the different countries' work plans and fitting them into a strategic vision of integration, in which priority is given to activities in the major regional integration and development hubs of the continent.

3. **Reform and modernize regulatory systems and institutions that govern infrastructure use in each nation**.

   In many instances, existing infrastructure is not being put to its best use because of regulatory and institutional impediments, notably at border crossings. Accordingly, there needs to be a greater focus on these regulatory and institutional barriers. More work also should be done to harmonize regulatory environments and legislation, in order to attract new investment and ensure that optimal use is made of investment funding already at work, and to continue modernizing public agencies and updating their procedures, technologies, and human resources.

4. **Strengthen the capacity of States for policy-making, planning, and regulatory framework development.**

To pursue this objective, States will need to be effective policy-makers and architects of frameworks which serve as a reference for private-sector and government activity; foster and protect competition; adopt regulatory environments based on technical and economic criteria; and produce relevant, readily available information. Efforts should be made to ease distortions created in the different markets by regulations, the operation of legal monopolies, quota setting, taxes and subsidies, and discretionary price- and tariff setting.

5. **Harmonize policies, plans, and regulatory and institutional frameworks among States.**

If regional integration objectives are to be attained, further efforts will be needed to harmonize criteria for the design and integrated technical, economic, and environmental evaluation of regional infrastructure projects, to make certain they will be sustainable, while minimizing the risk of discretionary approaches to project selection and support. Mechanisms also need to be devised to reinforce the synergistic effects of integration projects that are complementary and ensure that projects which could substitute for one another are selected on their own merits.

6. **Take careful account of projects' environmental and social dimensions.**

Our countries need to be more proactive in assessing the environmental and social implications of infrastructure projects, setting their own and shared criteria and coordinating efforts in this area. Building on their wealth of experience in national and regional infrastructure project design, countries should look at a project's potential environmental impact from the very start of the design stage. This should be viewed as an opportunity to put together more complete, fully integrated projects, and not merely as a way of mitigating their less desirable impacts.

7. **Pursue regional integration projects that can raise the standard of living of local populations and offer them new opportunities.**

Efforts should be made to have infrastructure projects generate as many local development impacts as possible, and not simply serve as corridors linking major markets.

8. **Construct mechanisms that promote participation and consensus.**

In developing and selecting projects, mechanisms should be devised to give an effective voice to affected communities, and the private sector, which may wish to fund, construct, and operate such ventures.

9. **Develop new regional mechanisms for programming, executing, and managing physical integration projects.**

Mechanisms for sharing integration project management and finance should be developed, using existing institutions and drawing on the experience the countries have amassed over the past decade.

**10. Optimize the use of funding sources for developing common strategies.**

This effort should include an exploration, by the governments and multilateral lending institutions, of innovative avenues for leveraging private capital to finance projects which can open up trade opportunities and fairly share the risks and rewards among public- and private-sector participants. The means to this end can be common strategies and creative solutions and instruments that take due heed of the nature and preferences of the capital markets.

Using this strategic vision of major regional integration and development hubs in the continent as a roadmap, the physical, regulatory, and institutional requirements for basic infrastructure development in South America in the decade ahead need to be ascertained. To that end, a series of actions in short term should be devised along with some longer-range initiatives on at least three fronts: coordination of plans and investments, alignment and harmonization of regulatory and institutional settings, and innovative public and private financing mechanisms.

**Following up on the Plan of Action**

The Plan includes a scheme to attain consensus-based objectives using common methods and task-sharing. A key requirement here is a follow-up mechanism for implementation of decisions and directives emanating from the Heads of State of the South American governments. The mechanism should clearly set out working methods, targets, and timetables, and the apportionment of responsibilities.

The technical and political profile of such a mechanism should be such as to expedite timely, efficient decision-making regarding the Heads of States' mandates in the area of regional infrastructure development. The follow-up mechanism thus should be designed with five central tenets in mind:

- Avoid creating new institutions, tapping instead the human and financial resources already in place in national, regional, and multilateral institutions;

- Strive to ensure that the various elements of the follow-up mechanism reflect a resolute, top-level, enduring political commitment; have a permanent presence close to the decision-making process of financial institutions; duly interpret societal needs, and expedite governments' internal management;

- Secure the full participation of all the South American governments and have decisions taken by consensus of the involved parties;

- Expedite decision-making by the South American governments through a process of agile, flexible interaction between those governments and regional and multilateral agencies that offer specialized technical advisory support; and

- Be guided by a pre-established work timetable that sets out sequential objectives and specific tasks for the different components that comprise the follow-up structure.

With the above-listed principles in mind, the follow-up mechanism for the Plan of Action for

Regional Infrastructure Development in South America would consist essentially of the following elements:

i. An **Executive Steering Committee (ESC)** of senior officials appointed by the South American governments from agencies selected by the respective governments, as they deem appropriate.

ii. **Executive Technical Groups (ETGs)** composed of officials and experts appointed by the South American governments from agencies selected by the respective governments, as they deem appropriate. These will be temporary bodies set up for each integration and development hub and they will examine such specific issues as harmonization of regulatory environments, integrated project identification methods, and so on. The groups would meet to review issues put before them; once their work is finished, they would disband. The groups could seek support from regional, subregional, and international organizations in their respective areas of specialization.

iii. A **Technical Coordination Committee (TCC)** made up of representatives of the Inter-American Development Bank (IDB), Andean Development Corporation (CAF), and Fund for Development of the River Plate Basin (FONPLATA) would actively assist the governments as they put the Plan of Action into practice and monitor its operation, in such areas as integrated project identification and appraisal and securing funding to carry through projects.

As part of an ongoing consultation process, the Executive Steering Committee would promote meetings designed to elicit input from the private sector and community organizations and to help coordinate efforts at the country level.

The institutions represented on the Technical Coordination Committee (IDB, CAF, FONPLATA) will present proposals before 31 December 2000, furnishing details of the subject areas and sectors that would form part of the Plan, indicating what they see as priority areas of attention in the short term. The proposals also will provide a more detailed design of the Plan's follow-up mechanism.